

HOA PRESIDENTS' INFORMATION SHEET – JUNE 2019

PRESIDENT'S UPDATE:

Our LLC activity has now fully entered the summer season with a clear focus on the inspections underway by our Engineering firm, Kimley-Horn. As is fully explained in the Engineering Committee Report we had a disagreement with the Developer over responsibility to pay for the cleaning of all the pipes that connect our ponds. It is likely that the pipes have never before been cleaned out so it was our position that the Developer should pay for the cleaning, while the LLC pays for the scoping. The Developer felt this was a routine GHCA maintenance issue and this year's GHCA special project budget has already been spent. As resolution we have chosen to pay for the cleaning initially and we expect the Developer will reimburse the LLC with GHCA funds early next year. We have reserved the right to return to this issue prior to Transition.

We have already received second round LLC funding from several HOAs as well as pre-payment of third round funding from most. As a reminder, second round funding of \$100 per household is due by July 1 and all HOAs are invited to add the third round \$100 funding at the same time. Otherwise, the third-round payment is due by December. Thanks in advance for your continued support of the LLC.

TREASURER'S REPORT:

We have received \$36,200 in new funding so far, of which \$20,400 is second round funds and \$15,800 is prepaid third round funds. In addition, two of the four current residents of The Reserve community have made voluntary contributions to the LLC, for which we thank them.

Since the due date for second round funding is July 1st, we are expecting the bulk of that in the next two weeks. We thank you in advance to be sure your property manager is prepared to submit the funds by that date, and we appreciate the many HOAs that are planning to submit third round funding at the same time.

CURRENT CASH POSITION:

Member Contributions:	\$137,400
Voluntary Contributions:	14,400
Total Contributions:	\$151,800

Legal Expenses:	\$72,913
Insurance:	2,726

Engineering:	3,000
Administration:	<u>255</u>
Total Expenses:	\$78,894

Cash Balance:	\$72,906
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FINANCE AND ACCOUNTING COMMITTEE:

We received from the Developer the documents identified in the Preliminary Due Diligence Request, including 7 years of GHCA Audit Reports, tax returns for 2016 through 2018, Accounts Payable Schedules and Operating Budget Information for each Audit Report year.

In addition, we have prepared a comparative analysis of the 7 years' financial statements and have reviewed the other documents. No large or unusual items were noted with the exception of the Audit Report information that we requested in the Full Due Diligence Request that was recently submitted to the Developer.

LEGAL COMMITTEE:

We are awaiting the Developer's response to the Full Due Diligence Request list and have been consulting with counsel on the scope of the engineering inspection and the issue regarding the Developer paying for the pond pipe cleaning.

OPERATIONS COMMITTEE:

No new developments to report.

ENGINEERING AND ASSET EVALUATION COMMITTEE:

Kimley-Horn has begun their inspections, starting with the roads, sidewalks and landscaping. They are about 85% complete with those items but are behind schedule on the other elements of the inspection scope, so we are pushing them to ramp up the estuary and pond elements. The structural inspections will begin the week of June 24, including the bridges, tunnels, the River Village pier and the guard houses.

A key inspection is the interconnecting pipes between ponds. These pipes must be free and clear for the storm water collected in all our ponds to equalize and to flow to the three locations that empty into the estuary and the Indian River. In order to video-scope all of these pipes they need to be free of sediment. They are not, and we advised the Developer that he is

responsible to clean out the pipes. He has responded that it is GHCA's responsibility but that there is no more money in this year's special project budget. We have decided that we will pay for the cleaning with LLC funds, since we cannot wait. The Developer has stated that this expense will be repaid to the LLC out of next year's GHCA budget. We are proceeding on that basis while reserving our right to negotiate for direct Developer repayment at Transition.

We have met with Grand Harbor Club management and have advised them that we will need to enter onto club property with heavy equipment to do the cleaning and scoping. They have been very cooperative and we will coordinate with the club maintenance schedule over the next month or so. Residents may see a large vacuum truck in and around all of our ponds when the Kimley-Horn subcontractor (Shenandoah Construction) does this work. Efforts will be made to minimize any disruption to playing our courses while they clean and scope the pipes.

We would like to thank the Engineering Committee members who have done some great work preparing for these inspections and who are pitching in to help Kimley-Horn with whatever they need while the inspectors are on site.

FINAL NOTE:

We encourage all HOA Presidents to ensure that there is a summertime process in place to continue to forward our monthly Information Sheets promptly to homeowners. Please also continue to forward to our attention any questions that your Board or your homeowners might have. Thank you.

Jeff Caso
President, on behalf of the Board

